

# TENNESSEE REGULATORY AUTHORITY

Pat Miller, Chairman  
Deborah Taylor Tate, Director  
Sara Kyle, Director  
Ron Jones, Director



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460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

July 8, 2004

Mr. Herb Bivens  
General Manager  
United Telephone Company  
120 Taylor Street, P.O. Box 38  
Chapel Hill, TN 37034

Dear Mr. Bivens:

Pursuant to your letter to me dated June 17, 2004 and our meeting on July 7, 2004, it is requested that you provide the following:

- (1) A general explanation of the DEM factor, how it is calculated, and how changes in the factor affect United's interstate revenue requirement;
- (2) All documentation received from NECA indicating the timeframe and amount that United's interstate access revenue requirement was overstated as a result of inaccurate DEM factors. Please include all supporting calculations provided by NECA; and
3. A comparison of the forecasted interstate access amounts adopted by the TRA for years 2001 and 2002 in Docket No. 01-00451 (United's Petition to Increase Certain Rates and Charges) with actual amounts received by United as adjusted by the revised NECA calculations.

It is requested that this information be provided no later than noon July 23, 2004 and that you reference Docket 04-00173 on the response. In accordance with TRA rules submit either (1) thirteen written copies of your response or (2) four written copies and an electronic version. Should you have any questions regarding this request, please contact David Foster at (615) 741-2904, extension 188, or Darlene Standley at extension 149.

Sincerely,

Joe Werner, Chief  
Telecommunications Division

C: Docket File